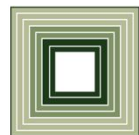


Department of Labor Budget Overview

**Joint Appropriations
Subcommittee on
Natural and Economic
Resources**

March 8, 2011



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Today's Agenda

- Division Overviews
 - Mission/ Programs
 - Budget Information
 - FY 2009-11 General Assembly Actions
 - FY 2010-11 Required Reversion Amounts
 - FY 2011-13 Reduction Options
 - FY 2011-13 Continuation Budget
 - Agency 5-10-15% Reduction Proposal
 - FY 2011-13 Governor's Recommended Budget
 - Other Options



Mission

To promote the "health, safety and general well-being" of North Carolina's workers.

Statutory Reference

G.S. 95

Divisions

- Administration
- Occupational Safety and Health
- Standards and Inspections

DOL Basics

- 409.25 FTE
- FY 2011-12 Continuation Budget:
\$32.7 million
- Range of Issues
 - Mining safety
 - Elevator and amusement ride inspections
 - Employment discrimination investigations
 - Wage and hour investigations
 - Migrant housing regulation and inspection
 - Occupational safety & health inspections
 - Apprenticeship program



FY 2011-12 **Budget Highlights**

Expenditures:

\$32.7 m

Receipts:

\$15.2 m

Appropriation:

\$16.8 m

DOL Divisions & Bureaus

Administration

- Commissioner's Office
- Administration & Government Affairs
- Legal
- Communications
- Human Resources
- Information Technology
- Research and Policy

Standards & Inspections

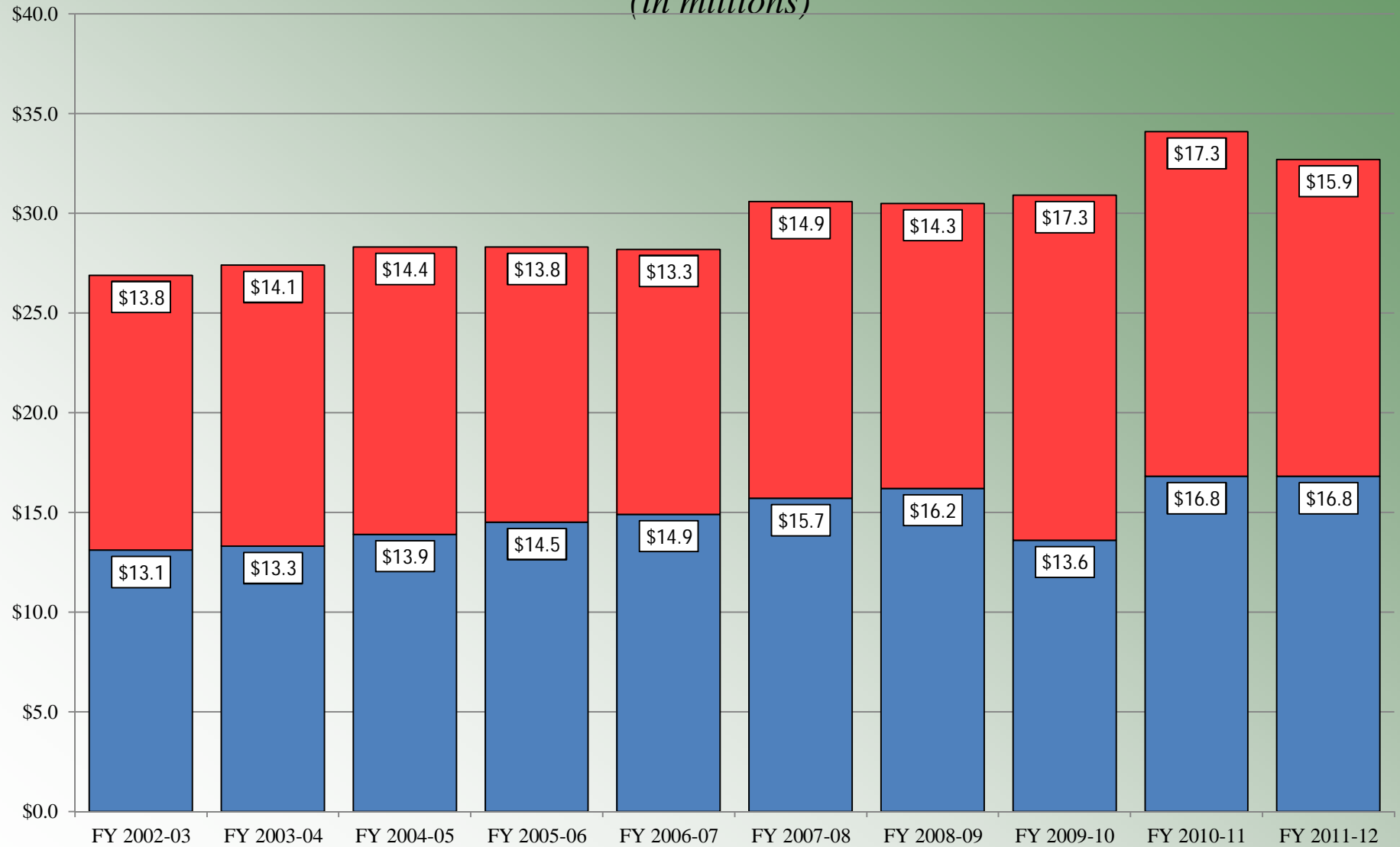
- Boiler Safety Bureau
- Elevator & Amusement Device Bureau
- Mine & Quarry Bureau
- Wage & Hour Bureau
- Employment Discrimination Bureau
- Apprenticeship & Training Bureau

Occupational Safety and Health

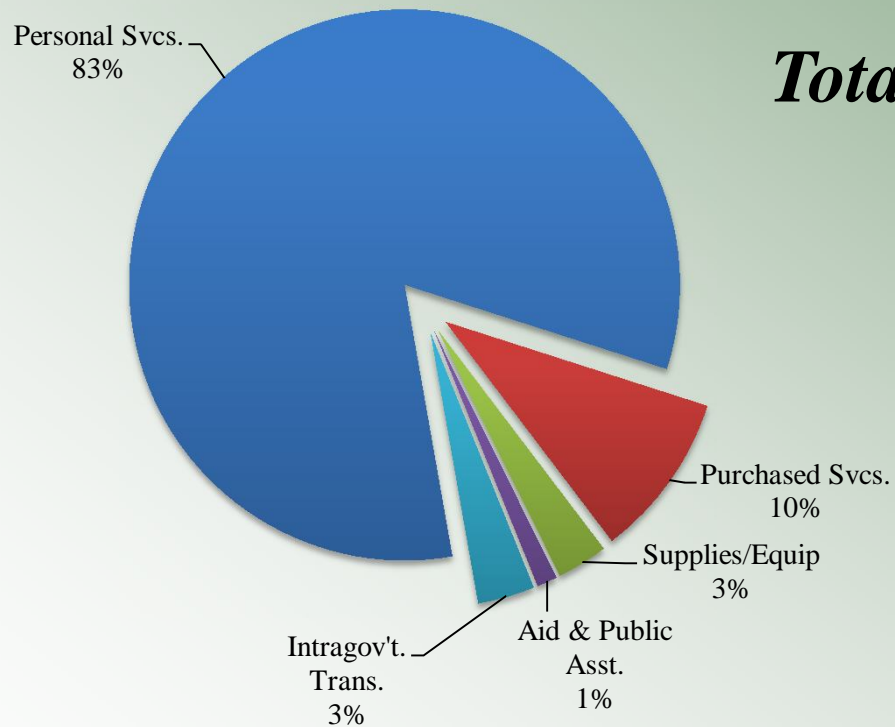
- Agricultural Safety & Health Bureau
- Compliance Bureau
- Consultative Services Bureau
- Education Training & Technical Assistance (ETTA) Bureau
- Planning, Statistics, and Information Management Bureau (PSIM)

DOL: 10-Year Funding History – All Sources

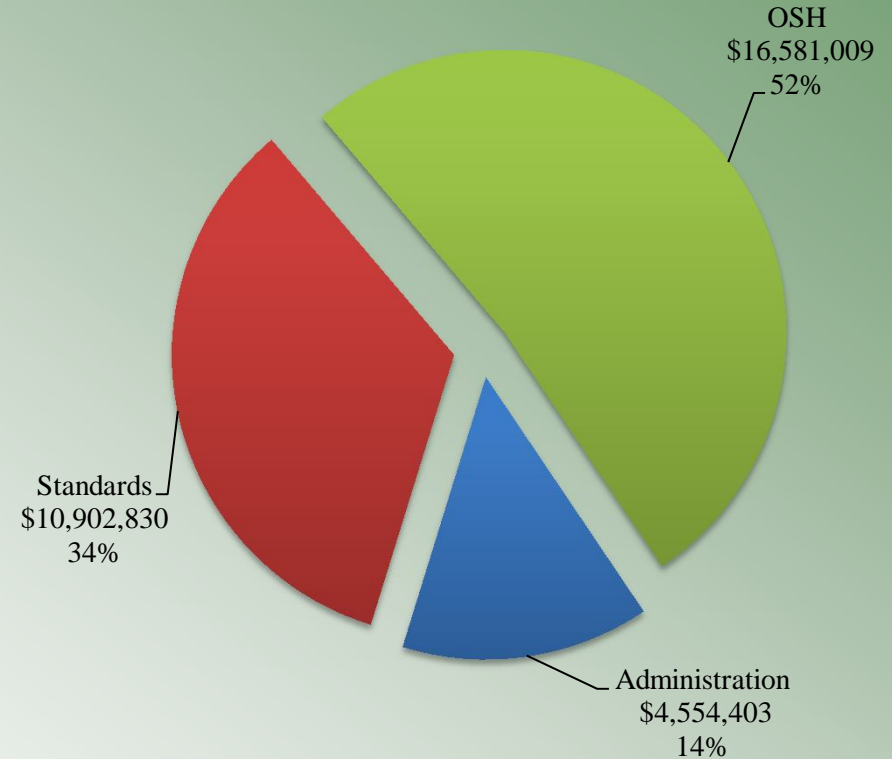
(in millions)



DOL FY 2011-12 General Fund Continuation Budget



Total Expenditures: \$32.7 M



Department of Labor

Overview:

FY 2011-13 Governor's Recommended Budget

	<u>FY 2011-12</u>	<u>FY 2012-13</u>
Total Agency Reductions	(\$1,820,734)	(\$1,931,647)
FTE Reductions	(23.9)	(23.9)

Includes:

- Agency-wide retirement incentive
- Reductions to operating budgets
- Elimination of vacant and filled positions:
 - OSH
 - Apprenticeship Program
 - Mine & Quarry Bureau
 - Wage & Hour Bureau

DOL Administration

- Commissioner's Office
- Administration & Government
- Affairs
- Budget & Management
- Legal
- Communications
- Human Resources
- Information Technology
- Research & Policy

Budget:
\$4.55 mil; 53 FTE

1 Commissioner

8 Directors

4 Deputy Directors

5 Supervisors

33 Employees

1 MFM car

0 cell phones

Administration

FY 2009-11 NCGA Actions

- FY 2009-10:
 - Department-wide salary reserve (\$71,048) & operating expense reductions (\$155,877)
 - Eliminate 7.5 vacant positions (\$390,285)
 - Adjust Continuation Budget to a level at or below FY 2008-09 Authorized Budget (\$405,676)
 - Shift two administrative position to receipt support (\$123,060)
- FY 2010-11:
 - Department-wide salary reserve (\$280,280), travel budget (\$32,778) & operating expense reductions (\$38,295)
 - Eliminate 3.5 vacant positions (\$157,234)
 - Shift administrative position to receipt support in Commissioner's Office (\$52,784)

Administration

FY 2011-13 Agency/Governor Recommendations

5-10-15% Reduction Proposal

	<u>FY 2011-12</u>	<u>FY 2012-13</u>
Eliminate 1.0 filled FTE & shift 2.0 vacant FTEs to receipt support	(\$493,530)	(\$493,530)
Shift 3.0 FTEs to receipt support	(\$213,878)	(\$213,878)

Governor's Recommendations

	<u>FY 2011-12</u>	<u>FY 2012-13</u>
Department-wide: Employee Retirement Incentive Program (1.9 FTE)	(\$74,269)	(\$185,182)
Reduce operating expenses & budget receipts (6.0 FTEs)	(\$707,408)	(\$707,408)

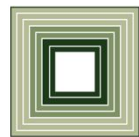
Administration

FY 2011-13 Additional Cut Options & Issues

- Eliminate layers of management – currently there are multiple layers of Directors & supervisors in Administration:

	Directors/Dep. Directors	Supervisors	Employees
Budget & Mgmt.	2	2	9
Legal	2		1
Communications	1	1	5
Human Resources	2		7
IT	1	1	10
Research & Policy	1	1	5
Commissioner's Office	2	1	4

Occupational Safety and Health (OSH)

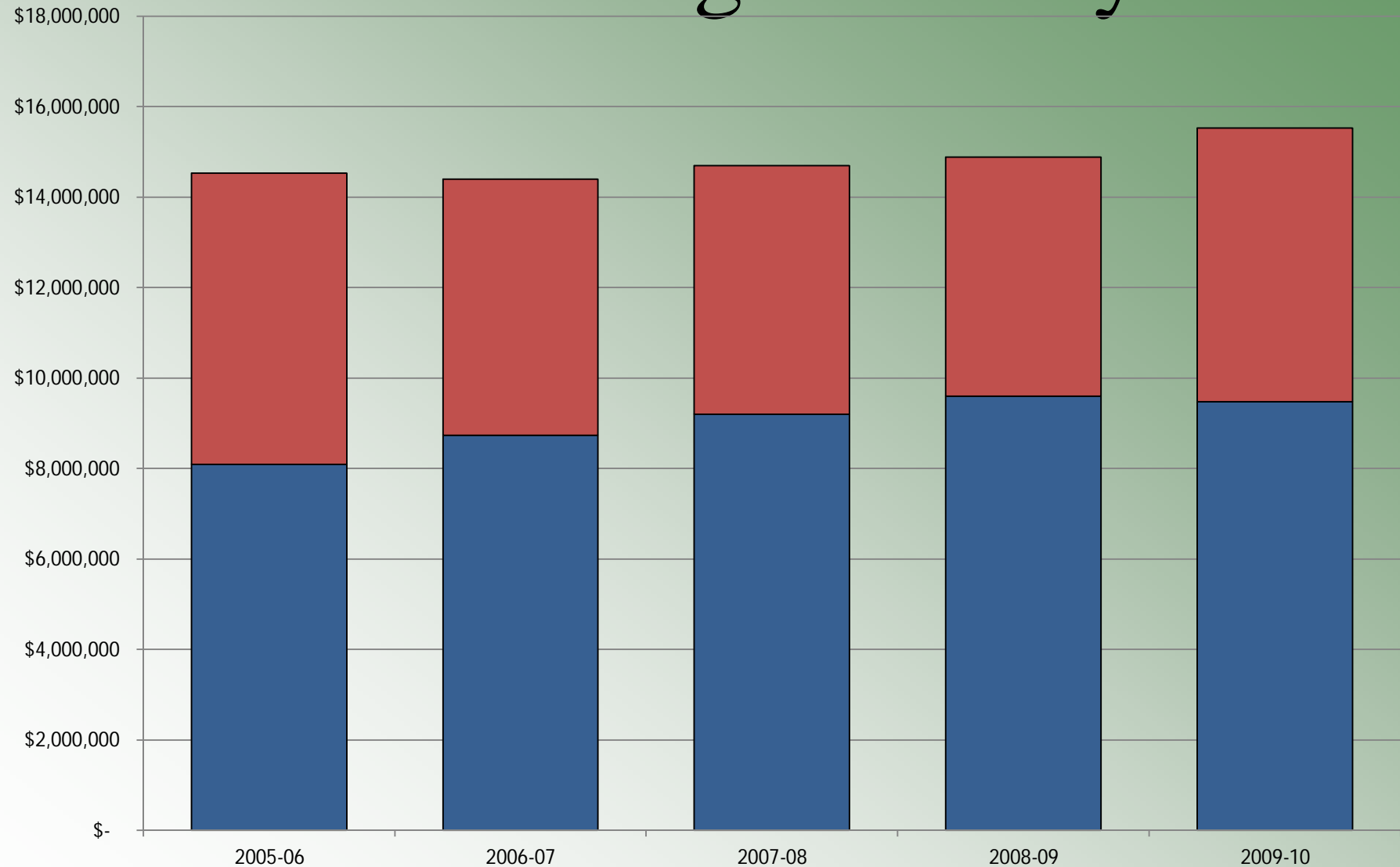


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1973 Law - OSHA of NC

- G.S. 95-126 – 95-155
- **NC is a State Plan State**
 - Receive federal grants
 - Have to be as strict (or stricter) than Feds
 - Quarterly monitoring meetings with Feds
- **Covers all employees in NC**
 - **Notable exceptions:**
 - Federal government employees
 - Maritime employees

OSH Budget History



OSH Bureaus

- Agriculture Safety and Health
- Planning Statistics & Information Management
- Compliance
- Education Training & Technical Assistance
- Consultative Services
- OSHA Review Board

OSH Administration

- Manage the 6 Bureaus of the OSH Division
- Includes library, IT, and lab funding

Budget:
\$2.1 mil; 6 FTE

FY 2009-11 General Assembly Actions

- FY 2009-10:
 - Eliminate State funding for periodicals in the DOL library (\$18,306)
 - Raise publication fees to adjust for inflation (\$21,325)
- FY 2010-11:
 - Shift operating expenses to federal receipts (\$341,184)

2 MFM cars
1 cell phone

1 Directors
1 Deputy Director
4 Employees



OSH Administration

FY 2011-13 Agency/Governor Recommendations

5-10-15% Reduction Proposal

- Eliminate 6.0 FTE (\$358,515)
- Eliminate salary reserve & operating expenses (\$124,851)

Governor's Recommendations

- None

Additional Cut Options

- Eliminate MFM vehicles
- Eliminate cell phones
- Eliminate Deputy Director position
- Eliminate Bureau & return all OSH responsibilities to federal government (\$14.3 M)

OSH: Agricultural Safety & Health

- Migrant Housing Act of 1989 (G.S. 95-222 -229)
- Annual housing registration, inspection and compliance program
- Inspect all registered migrant housing 45 days prior to occupancy



**Continuation Budget:
\$658K; 10 FTE
State regulatory program**

**1 Director
9 Employees**

**5 MFM car
6 cell phones**

OSH: Agricultural Safety & Health

FY 2009-11 Actions & FY 2011-13

Agency/Governor Recommendations

FY 2009-11 NCGA Actions

- None

5-10-15% Reduction Proposal

- None

Governor's Recommendations

- None

Additional Cut Options

- Eliminate MFM vehicles
- Eliminate cell phones
- Reduce frequency of visits, requirements of inspections, and number of visits in order to reduce program costs
- Eliminate Bureau

OSH:

Planning, Statistics & Information Management (PSIM)

- Research, maintain, and analyze the OSH Division Inspection Targeting System
- Conduct 2 injury & illness surveys
 - Public Sector
 - OSHA Data Initiative (ODI) – Private Sector (100% federal funds)
- Archive investigative results
- Maintain statistics

Budget:
\$272K; 7 FTE
State & federal
non-regulatory program

1 Director
6 Employees

0 MFM cars
0 cell phones

OSH: PSIM

FY 2009-11 Actions & FY 2011-13 Agency/Governor Recommendations

FY 2009-11 General Assembly Actions

- None

5-10-15% Reduction Proposal

- None

Governor's Recommendations

- None

Additional Cut Options

- Eliminate State-only elements of program; leave FTE and costs associated with meeting federal requirements of ODI (\$193K)

OSH: Compliance

- **Unannounced Compliance Visits**
 - Right to enter any workplace (G.S. 95-136)
- **Targeted Inspections**
 - Those sites with high rates of injury or illness
- **Fatality or Catastrophe Investigations**
- **Regional offices**

Budget:
\$8.6 mil; 137 FTE
State & federal
regulatory program

2 Directors (East & West)
12 Supervisors
123 Employees

34 MFM car
12 cell phones

OSH: Compliance

FY 2009-11 Actions & FY 2011-13 Agency/Governor Recommendations

FY 2009-11 General Assembly Actions

- None

5-10-15% Reduction Proposal

- None

Governor's Recommendations

	<u>FY 2011-12</u>	<u>FY 2012-13</u>
Eliminate 11.0 FTEs (5 filled, 6 vacant)	(\$600,000)	(\$600,000)

Additional Cut Options

- Eliminate MFM vehicles
- Eliminate cell phones
- Eliminate Bureau

OSH: Educational Training & Technical Assistance (ETTA)

- Standards

- Answer calls and emails
- Produce publications
- Evaluate all federal changes to OSH laws - rulemaking

- Education & Training - Internal

- OSH 100 course
- Legal Affairs course

Education & Training – External

- On-the-Job
- No charge

Budget:
\$1.3 mil; 20 FTE
State & federal
non-regulatory program

1 Directors
2 Supervisors
17 Employees

4 MFM cars
4 cell phones



OSH: ETTA

FY 2009-11 Actions & FY 2011-13 Agency/Governor Recommendations

FY 2009-11 General Assembly Action

- None

5-10-15% Reduction Proposal

- None

Governor's Recommendations

- None

Additional Cut Options

- Consolidate with Consultative Services Bureau
- Eliminate State-only elements of program (leave FTEs and costs associated with meeting federal requirements)

OSH: Consultative Services

- Full-service on-site safety and health surveys
- Technical assistance & safety and health program assessment
- Ergonomics, air sampling, noise measurements

Free services available to:

- Public Employers
- Private Employers of < 500 employees nationwide

Requires advance agreement to correct any hazards identified during consultation

Budget:
\$1.3 mil; 33 FTE
State & federal
non-regulatory program

1 Director
4 Supervisors
28 Employees

24 MFM cars
0 cell phones

OSH: Consultative Services

FY 2009-11 Actions & FY 2011-13 Agency/Governor Recommendations

FY 2009-11 General Assembly Actions

- None

5-10-15% Reduction Proposal

- None

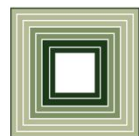
Governor's Recommendations

- None

Additional Cut Options

- Eliminate MFM vehicles
- Consolidate with ETTA Bureau
- Institute a fee system to shift Bureau to receipt support (partially or entirely)
- Eliminate Bureau (\$976,879)

Standards & Inspections

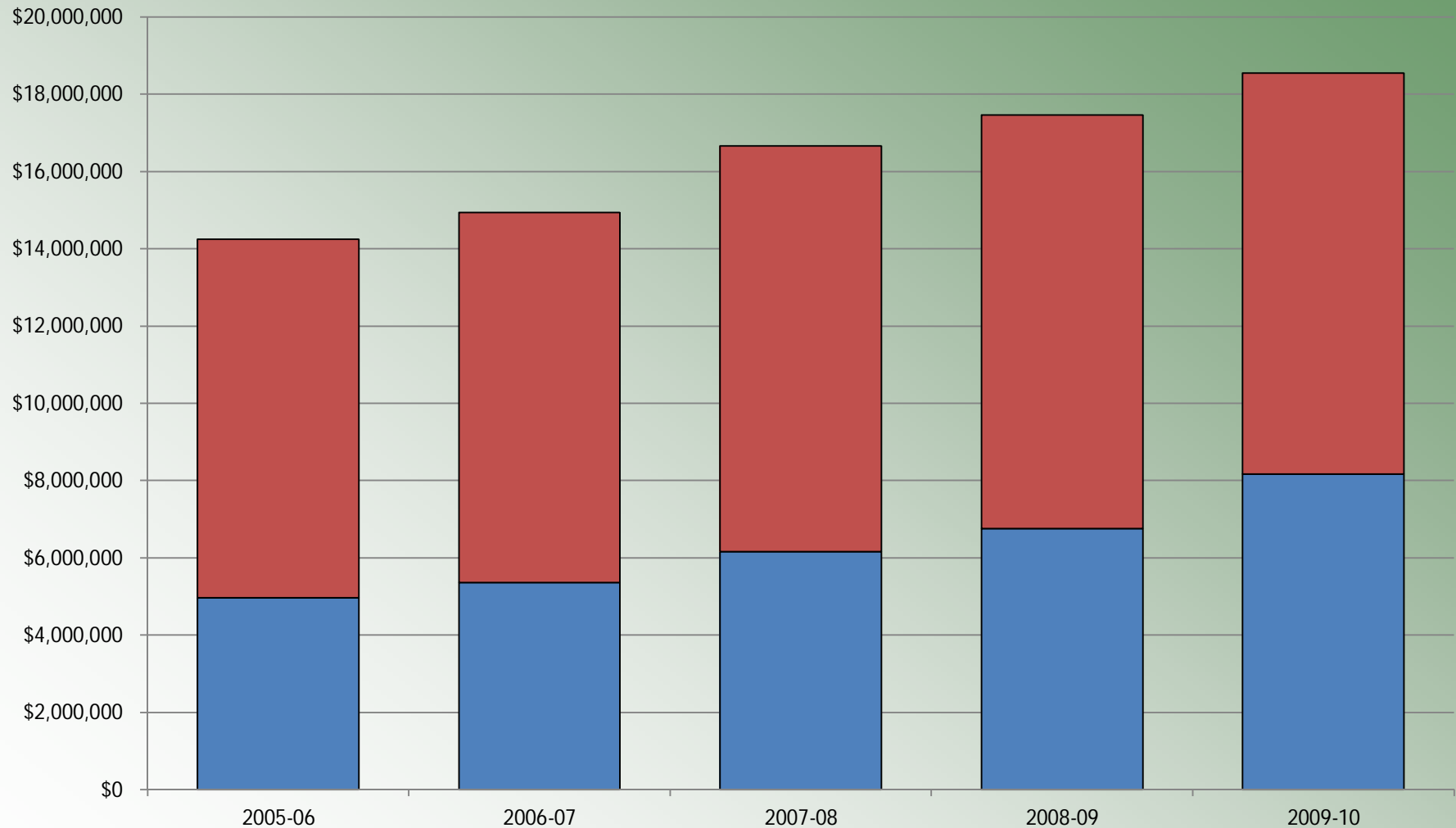


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Standards & Inspections Bureaus

- Apprenticeship
- Employment Discrimination
- Wage & Hour
- Mine & Quarry
- Boilers & Pressure Vessels
- Elevator & Amusement Devices

Standards & Inspections Budget History



Standards & Inspections: Apprenticeship Bureau

- National Apprenticeship Act of 1937 – USDOL
 - States or Feds can administer
- Develops training programs
 - 1-5 year programs
 - On-the-job and classroom
- Registers apprentices
- Insures compliance with wage agreements

Budget:
\$1.7 M; 19 FTE

**Non-regulatory, mostly
State program, some
federal (VA)**

1 Director
1 Deputy Director
3 Supervisors
14 Employees

12 MFM car
15 cell phones

Standards & Inspections: Apprenticeship

FY 2009-11 Actions

FY 2009-11 NCGA Actions

- FY 2009-10: Create new fees to generate sufficient revenue for a 25% reduction to General Fund support (\$450,000)
- FY 2010-11: Reduce appropriation and shift 3.0 positions to receipts – if sufficient receipts are not realized to support positions, then they shall be eliminated (\$200,000)

Standards & Inspections: Apprenticeship

FY 2011-13 Agency/Governor Recommendations

5-10-15% Reduction Proposal

	<u>FY 2011-12</u>	<u>FY 2012-13</u>
Reduce salary reserve	(\$81,560)	(\$81,560)

Governor's Recommendations

	<u>FY 2011-12</u>	<u>FY 2012-13</u>
Reduce salary reserve	(\$81,560)	(\$81,560)

Additional Cut Options

- Consolidate with other workforce development programs in Commerce
- Eliminate Bureau (\$1.7 M)

Standards & Inspections: Boiler Safety Bureau

- Enforces Uniform Boiler & Pressure Vessel Act (G.S. 95, Article 7A)
- Inspections include
 - High pressure and low pressure boilers
 - Antique boilers
 - Model/hobby boilers
 - Air storage tanks

Budget:
\$2.1 M; 23 FTE
Fully receipt-supported
State regulatory program

1 Director
1 Deputy Director
2 Supervisors
19 Employees

11 MFM car
18 cell phones

Standards & Inspections: Boiler Safety

FY 2009-11 Actions & FY 2011-13

Agency/Governor Recommendations

FY 2009-11 General Assembly Actions

- None

5-10-15% Reduction Proposal

- None

Governor's Recommendations

- None

Additional Cut Options

- Eliminate MFM vehicles
- Eliminate cell phones
- ...Bureau is fully receipt-supported

Standards & Inspections: Elevators & Amusement Device Bureau

- **Enforces the Elevator Safety Act**
(G.S. Chapter 95, Article 14A)
- **Responsible for proper installation and operation of**
 - Elevators
 - Amusement devices
 - Inflatable amusement devices
 - Portable rock walls
 - Escalators
 - Dumbwaiters
 - Moving walkways

Budget:
\$3.75M; 44 FTE
Fully receipt-supported
State regulatory program

1 Director
1 Deputy Director
6 Supervisors
36 Employees

36 MFM car
42 cell phones

Standards & Inspections: Elevators

FY 2009-11 Actions & FY 2011-13 Agency/Governor Recommendations

FY 2009-11 General Assembly Actions

- FY 2009-10: Transfer operating budgets to General Fund code

5-10-15% Reduction Proposal

- Budget excess receipts (\$814,915)

Governor's Recommendations

- None

Additional Cut Options

- Eliminate MFM vehicles
- Eliminate cell phones
- Reduce fee to accurately reflect cost of program (fees last changed in 2007)
- Use excess receipts to increase number of inspectors/inspections
- ...Bureau is fully receipt-supported

Standards & Inspections: Employment Discrimination Bureau (EDB)

- **REDA protects employees involved in**
 - Worker's compensation
 - Wage and hour
 - Safety and health
 - Mine safety and health
 - Genetic testing
 - Sickle Cell/Hemoglobin C
 - National Guard
 - Domestic disputes
 - Juvenile justice system
- 800-900 complaints/year

Budget:
\$673K; 9 FTE
State regulatory program

1 Director
8 Employees

0 MFM car
6 cell phones

Enforce the 1992 Retaliatory
Employment Discriminatory Act
(REDA)

G.S. 95, Article 21

Standards & Inspections: EDB

FY 2009-11 Actions & FY 2011-13 Agency/Governor Recommendations

FY 2009-11 General Assembly Actions

- None

5-10-15% Reduction Proposal

- None

Governor's Recommendations

- None

Additional Cut Options

- Eliminate cell phones
- Eliminate 1.0 vacant FTE & salary reserve (\$78,731)
- Use Women's Prison call center for 1-800 intake

Standards & Inspections: Mine & Quarry Bureau

- Enforces the 1975 Mine Safety & Health Act (G.S. Chapter 74, Article 2A)
- Conducts evaluations
 - Can issue “Notice of Violation” & shut down noncompliant mines
- Conducts training
- Investigates complaints and serious accidents

Budget:
\$543K; 8 FTE
State & federal regulatory program

1 Director
7 Employees

6 MFM car
5 cell phones

Standards & Inspections: Mine & Quarry

FY 2011-13 Agency/Governor Recommendations

FY 2009-11 General Assembly Actions

- Shift operating expenses to receipt support (federal receipts) (\$28,389)

5-10-15% Reduction Proposal

- Eliminate 2.0 FTE (\$124,939)
- Eliminate salary reserve (\$17,965)

FY 2011-13 Governor's Recommendations

	<u>FY 2011-12</u>	<u>FY 2012-13</u>
Eliminate 2.0 filled FTEs & salary reserve	(\$142,904)	(\$142,904)

Additional Cut Options

- Eliminate MFM vehicles
- Eliminate cell phones
- Eliminate Bureau (\$543K)

Standards & Inspections: Wage & Hour Bureau

- Enforces the Wage & Hour Act (G.S. 95-25)
 - Minimum wage
 - Overtime
 - Youth employment
 - Record keeping
 - Promised wage provisions
- Enforces the Controlled Substance Examination Regulation Act (G.S. 95-230 – 235)
- Enforces the Private Personnel & Job Listing Service Act (G.S. 95-47)
- Can issue citations and penalties

Budget:
\$2.01M; 31 FTE
State regulatory program

1 Director
1 Deputy Director
3 Supervisors
26 Employees



13 MFM car
15 cell phones

Standards & Inspections: Wage & Hour

FY 2011-13 Agency/Governor Recommendations

FY 2009-11 General Assembly Actions

- None

5-10-15% Reduction Proposal

- Eliminate 2.0 FTE (\$117,583)
- Eliminate salary reserve/operating expenses (\$97,010)

Governor's Recommendations

	<u>FY 2011-12</u>	<u>FY 2012-13</u>
Eliminate 3.0 filled FTEs & salary reserve	(\$214,593)	(\$214,593)

Additional Cut Options

- Eliminate MFM vehicles
- Eliminate cell phones
- Use Women's Prison call center for 1-800 intake
- Eliminate Bureau

Questions

